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Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: Delete, Delete, Delete GN Docket No. 25-133 – Comment on Eliminating the USF Taxing and Subsidy Scheme

Dear Chairman Carr:

Please delete, delete, delete the USF Taxing and Subsidy Scheme.

Gigabit Fiber, a Dallas-based communications infrastructure provider, submits these comments in response to the FCC call for input regarding the identification and elimination of unnecessary regulations, specifically concerning the Universal Service Fund (USF) taxing and subsidy scheme. We are an advocate for regulatory reform that fosters competition, investment, and consumer benefits, we urge the FCC to eliminate the USF taxation structure and the regulatory framework that sustains it.

The current USF system is outdated, economically burdensome, and unconstitutional. It has a storied history of waste, fraud and abuse and is a tax and spend fix to a problem that no longer exists. Some of this legal framework dates to the era of the Pony Express, telegraph lines and subsidized railroads. The USF's funding mechanism, which imposes fees on telecommunications providers and on consumers, has proven to be an inefficient and regressive method of subsidizing universal service initiatives. Gigabit Fiber imposes USF taxes on certain services it provides to its customers and remits this money to USAC, a private tax collection agency. From there, we lose track of it....we assume the money finds

its way to the US Treasury and then in turn some is used to fund dubious programs with the balance lost to waste, fraud and abuse.

We believe:

1. **Technological and Marketplace Changes** – The telecommunications landscape has drastically changed since the inception of the USF. Fiber optic, mobile, satellite, and fixed wireless technologies – all now reimagined with an Artificial Intelligence overlay, have outpaced the regulatory frameworks established under the Telecommunications Act of 1996. The continued imposition of USF fees on traditional telecommunications services fails to reflect the realities of a competitive and dynamic digital economy.
2. **Unconstitutional Delegation of Taxing Authority** – The FCC has improperly delegated its authority to the Universal Service Administrative Company (USAC), a private entity that lacks congressional oversight and is unaccountable to the public. This delegation violates the nondelegation doctrine and undermines constitutional checks and balances.
3. **Regressive and Anti-Competitive Taxation** – The USF fees disproportionately impact consumers and businesses by increasing the cost of communications services, particularly harming lower-income individuals who rely on affordable telecommunications options. This regressive taxation model distorts the market, discouraging investment in broadband expansion and innovation.
4. **Lack of Transparency and Accountability** – USAC operates with minimal oversight, determining contribution rates and distributing funds without clear accountability mechanisms. This opaque structure leads to inefficiencies, waste, and a lack of alignment with modern broadband and technological advancements.

To align with the principles of regulatory efficiency and economic prosperity, the FCC should take immediate steps to delete, delete, delete, the USF taxation framework. Alternative funding mechanisms, such as direct appropriations from Congress, would provide a more transparent and equitable approach to supporting broadband expansion without imposing burdensome fees on consumers and businesses. Communications methods and technology is changing at an ever-increasing rate, and the FCC must unshackle industry to ensure the United States has the best communications services and technology in the world.

The FCC has an opportunity to modernize its regulatory approach, fostering investment and competition in the broadband sector while ensuring that universal service objectives are met in a constitutionally sound and economically sustainable manner. We urge the Commission to prioritize the elimination of the USF taxation framework as part of its deregulatory efforts.

Sincerely,

Tom Spackman

Tom Spackman
Chief Executive Officer